

Message Text

UNCLASSIFIED

PAGE 01 PRETOR 03919 171230Z

47

ACTION AF-06

INFO OCT-01 ISO-00 EB-07 AGR-10 COME-00 L-03 /027 W

----- 016933

R 151423Z OCT 75

FM AMEMBASSY PRETORIA

TO SECSTATE WASHDC 2914

INFO AMCONSUL CAPE TOWN

UNCLAS PRETORIA 3919

1. WILLIAM B. RUSCONI OF SECURITY SEED CO., P. O. BOX 65,
SAN JOAQUIN,

CALIFORNIA (TEL: 209-693-4301) HAS WRITTEN, TELEPHONED AND TELEXED
EMBASSY TO REQUEST EMBASSY INTERVENTION WITH MINISTRY OF AGRICULTURE
IN CONNECTION WITH MINISTRY'S REFUSAL TO APPROVE CONTRACT OF SALE OF
500 METRIC TONS OF ALFALFA SEED TO LUCERNE SEED CONTROL BOARD, P. O.
BOX 185, OUDTSHOORN, CAPE PROVINCE.

2. RUSCONI WAS IN SOUTH AFRICA IN SEPTEMBER AND NEGOTIATED CONTRACT
(SIGNED SEPTEMBER 12) WITH BOARD. CONTRACT IS FOR \$1,039,100 AND
INCLUDES CLAUSES TO EFFECT (A) THAT SALE IS "SUBJECT TO THE APPROVAL
OF THE SOUTH AFRICAN MINISTER OF AGRICULTURE THAT A SUBSIDY AND
IMPORT
PERMIT IS GRANTED TO IMPORT" THE SEED AND (B) THAT "SALES IS SUBJECT
TO RECONFIRMATION UPON RECEIPT OF APPROVAL OF THE MINISTER OF
AGRICULTURE." (SUBSIDY IN QUESTION IS AN IMPORT SUBSIDY TO BE
PAID TO THE BOARD.)

3. BOARD INFORMED RUSCONI SEPTEMBER 22 (DAY FOLLOWING
DEVALUATION ANNOUNCEMENT) THAT MINISTRY HAD INFORMED BOARD
THAT A "VERY DEFINITE PRECONDITION (OF MINISTRY APPROVAL) WILL
BE THAT THE BOARD BUYS THE SEED AT THE LOWEST OFFERED PRICE",
NOTING AT THE SAME TIME THAT BOARD HAD RECEIVED A BETTER
UNSOLICITED OFFER SUBSEQUENT TO RUSCONI'S VISIT. THE BOARD
ALSO ASKED RUSCONI IF SECURITY COULD MEET LOWER PRICE.

4. RUSCONI CONSIDERS MINISTRY POSITION TANTAMOUNT TO BREAKING
CONTRACT BUT HAS NOT CLAIMED ACTUAL LEGAL BREACH. HE BASES HIS
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 PRETOR 03919 171230Z

CASE ON MORAL AND ETHICAL GROUNDS. WE HAVE TOLD HIM SEVERAL TIMES.

MOST RECENTLY IN TELECON OCT 8 WITH ECON COUNSELOR AND AG ATTACHE, THAT WE DO NOT CONSIDER THAT IN THESE CIRCUMSTANCES THE EMBASSY CAN INTERVENE, PARTICULARLY SINCE SECURITY'S COMPETITOR IS ANOTHER US FIRM. HE HAS NOW COME BACK WITH A REQUEST FOR THE AMBASSADOR'S PERSONAL INTERVENTION WITH MINISTER OF AGRICULTURE.

5. WE DON'T KNOW FULL REASONS BEHIND MINISTRY POSITION BUT ATTRACTION OF A BETTER OFFER WAS UNDOUBTEDLY ENHANCED BY GREATER LOCAL CURRENCY COST OF THE SECURITY OFFER FOLLOWING 17.9 O/O DEVALUATION ANNOUNCED SEPTEMBER 21.

6. ACTION: REQUEST AF/S TELEPHONE RUSCONI AND RELAY FOLLOWING MESSAGE FROM AMBASSADOR. "I HAVE RECEIVED YOUR LETTER OF OCTOBER 7 AND AFTER WEIGHING ALL THE FACTORS I DO NOT CONSIDER IT APPROPRIATE FOR EMBASSY TO INTERVENE WITH THE MINISTRY OF AGRICULTURE SINCE THERE HAS APPARENTLY BEEN NO BREACH OF CONTRACT AND SINCE EMBASSY MUST AVOID FAVORING ONE US SUPPLIER OVER ANOTHER."
BOWDLER

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: INTERVENTION, GRAINS, CONTRACTS, PRICES, BUSINESS FIRMS
Control Number: n/a
Copy: SINGLE
Draft Date: 15 OCT 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975PRETOR03919
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750361-0017
From: PRETORIA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19751051/aaaabtic.tel
Line Count: 79
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION AF
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: buchant0
Review Comment: n/a
Review Content Flags:
Review Date: 27 OCT 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <27 OCT 2003 by MaustMC>; APPROVED <04 FEB 2004 by buchant0>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: n/a
TAGS: EAGR, SF, (RUSCONI, WILLIAM B)
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006